HOUSING MARKET INFORMATION

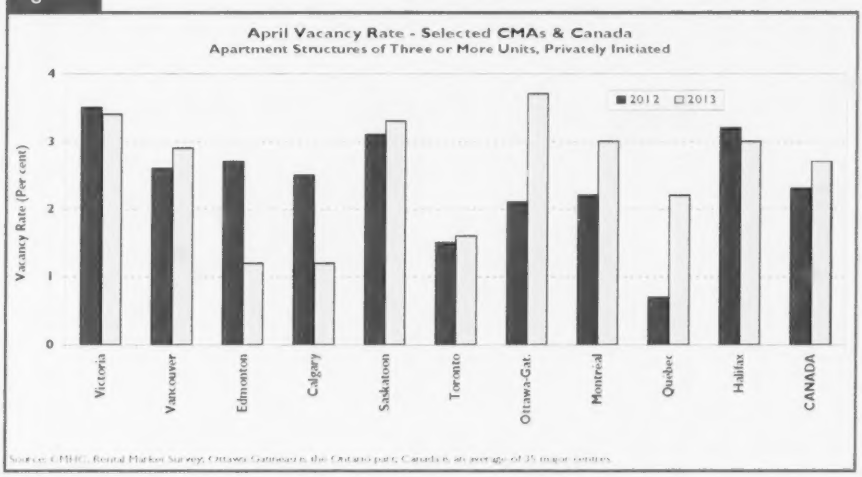
RENTAL MARKET REPORT

Canada Highlights

CANADA MORTGAGE AND HOUSING CORPORATION

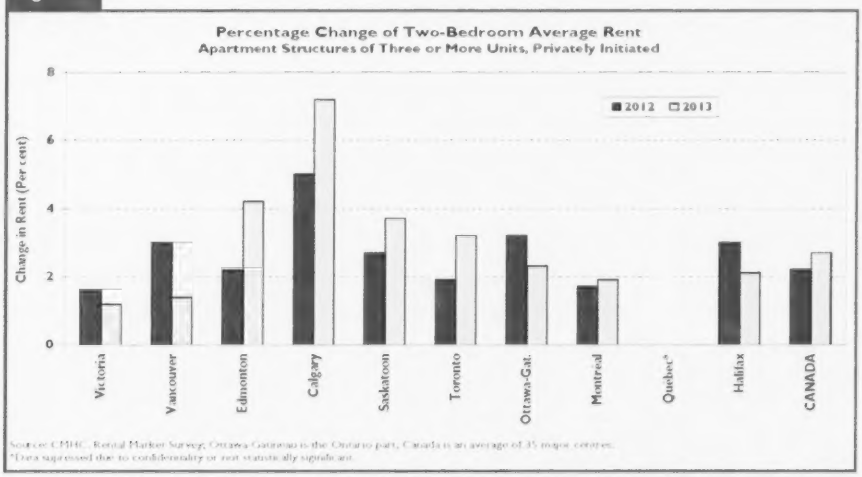
Date Released: Spring 2013

Figure 1



Source: CMHC, Rental Market Survey; Ottawa-Gatineau is the Ontario part; Canada is an average of 35 major centres.

Figure 2



Source: CMHC, Rental Market Survey; Ottawa-Gatineau is the Ontario part; Canada is an average of 35 major centres.
*Data suppressed due to confidentiality or not statistically significant.

The rental vacancy rate posted an increase this spring

The average rental apartment vacancy rate in Canada's 35 major centres[1] increased to 2.7 per cent in April 2013 from 2.3 per cent in April 2012[2].

While demand for rental units remains high, substitutes to purpose-built rental market units, such as rented condominiums, have taken some of the overall demand for rental units.

Furthermore, economic moderation during the second half of 2012 and early 2013 has caused employment growth for those in the 20-24 age range to become more modest. Employment growth in this age range was 0.4 per cent for 2012, compared to 2 per cent for 2011. Lower household formation in this group likely decreased overall rental housing demand, as young adults are predominately renters. These factors have contributed to the upward pressure on Canada's rental vacancy rate.

However, new migrants coming to Canada are continuing to provide a foundation for Canada's rental market. Total net migration was 257,695 in 2012, up from 243,824 in 2011 and higher than the ten year average of

[1] Major centres are based on Statistics Canada Census Metropolitan Areas (CMAs), with the exception of the Ottawa-Gatineau CMA, which is treated as two centres for Rental Market Survey purposes, and Charlottetown which is a Census Agglomeration (CA).

[2] Note that the spring survey covers apartment and row structures containing at least three rental units, and unlike the fall survey, does not report information for all smaller geographic zones within centres by Secondary rental market (rented condominiums, single detached, semi-detached, duplexes or accessory apartments).

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238,823. Immigrants, as well as those searching for housing for the first time, usually tend to rent first and then move to homeownership.

Vacancy rates comparison across Canada

The major centres with the lowest vacancy rates in the April 2013 survey were Edmonton and Calgary (1.2 per cent each) and St. John's (1.5 per cent). The major centres with the highest vacancy rates were Saint John (10.4 per cent), Charlottetown (8.7 per cent) and Moncton (7.4 per cent)

Provincially, the lowest vacancy rate was in Alberta (1.5 per cent), while the highest was in Prince Edward Island (7.8 per cent).

Average monthly rents for two-bedroom apartments

The Canadian average two-bedroom rent in new and existing structures was $911 in April 2013.

The major centres with the highest average monthly rents for two-bedroom apartments were in Vancouver ($1,255) and Toronto and Calgary ($1,202). The lowest average monthly rents for two-bedroom apartments were in Saguenay ($560), Trois-Rivières ($562) and Sherbrooke ($586).

Provincially, the highest average monthly rent was in Alberta ($1,117), while the lowest was in Quebec ($691).

As stated in the Technical Note on page 5, year-over-year comparisons of average rents can be slightly misleading because rents in newly built structures tend to be higher than in existing buildings. Excluding new structures provides a better indication of actual rent increases paid by tenants; this is called the fixed sample rent.

Overall, the fixed sample average rent for two-bedroom apartments in existing structures across Canada's 35 major centres increased 2.7 per cent between April 2012 and April 2013; this compared to 2.2 per cent in the previous year.

The major centres with the largest increase in fixed sample average rent were Calgary (7.2 per cent), St. John's (5.5 per cent) and Regina (4.7 per cent). The lowest increases were Kelowna (1.1 per cent) and Victoria and Charlottetown (1.2 per cent each).

Availability rates[3] slightly increased nationally

The average rental apartment availability rate in Canada's 35 major centres was 4.9 per cent in April 2013, up from 4.4 per cent in April 2012.

Availability rates were highest in Saint John (11.1 per cent), Charlottetown (10.6 per cent) and Moncton (8.8 per cent). The lowest rates were in Calgary (1.7 per cent), St. John's (1.9 per cent) and Edmonton (2.3 per cent).

Provincially, the highest availability rate was in Prince Edward Island (9.3 per cent), while the lowest was in Newfoundland and Labrador (2.0 per cent).

Cautionary Note

In the analysis, comparisons between the results of the October 2012 Rental Market Survey and the April 2013 survey have been avoided. A key reason for this is that changes in rents, vacancy rates, and availability rates between the spring and the fall may not be solely attributable to changes in rental market conditions; they could also reflect seasonal factors. For example, if more people tend to move in the spring than in the fall, it could have an impact on vacancy and availability rates as well as the level of rents. Alternatively, in centres where there are a significant number of university students, vacancy and availability rates could be higher in the spring if students move home for the summer. To the extent that these types of seasonal variations exist, comparing results from the spring and fall Rental Market Surveys could lead to incorrect conclusions about trends in rental market conditions. To avoid this, analysis is limited to the results of our spring Rental Market Survey, comparing results for 2012 and 2013, as well as different centres across Canada.

[3] A rental unit is considered available if the unit is vacant (physically unoccupied and ready for immediate rental), or if the existing tenant has given or received notice to move and a new tenant has not signed a lease.

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
Provinces and Major Centres[1]

Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-11 to Apr-12	Apr-12 to Apr-13
Newfoundland & Labrador 10,000+	**2.7** a	**1.7** a	**3.2** a	**2.0** a	**727** a	**751** a	**5.7** a	**5.1** a
St. John's CMA	3.3 a	1.5 a	3.8 a	1.9 a	808 a	832 a	7.4 a	5.5 a
Prince Edward Island 10,000+	**4.8** b	**7.8** b	**5.9** b	**9.3** a	**778** a	**808** a	**2.3** b	**1.0** a
Charlottetown CA	5.0 b	8.7 c	6.4 b	10.6 b	797 a	831 a	2.5 c	1.2 a
Nova Scotia 10,000+	**3.4** a	**3.4** a	**4.3** a	**4.5** a	**884** a	**918** a	**2.8** b	**2.0** a
Halifax CMA	3.2 a	3.0 a	4.3 a	4.2 a	926 a	965 a	3.0 b	2.1 a
New Brunswick 10,000+	**6.2** b	**7.6** b	**6.6** b	**8.6** b	**696** a	**716** a	**3.3** b	**1.5** a
Moncton CMA	5.0 b	7.4 b	5.4 b	8.8 b	721 a	744 a	2.9 c	1.6 a
Saint John CMA	8.4 b	10.4 b	8.8 b	11.1 b	688 a	703 a	4.9 c	++
Québec 10,000+	**2.2** a	**3.1** b	**4.9** a	**6.0** a	**677** a	**691** a	**1.4** a	**2.1** a
Ottawa-Gatineau CMA (Que. Part)	2.1 a	4.0 b	4.0 a	6.4 b	731 a	746 a	1.9 c	**
Montréal CMA	2.2 a	3.0 a	4.6 a	5.9 a	708 a	719 a	1.7 c	1.9 a
Québec CMA	0.7 a	2.2 a	4.0 a	6.1 a	725 a	763 a	++	**
Saguenay CMA	0.7 a	2.9 a	6.1 a	6.6 a	553 a	560 a	**	**
Sherbrooke CMA	3.6 a	4.6 a	8.0 a	7.0 a	581 a	586 a	**	2.2 a
Trois-Rivières CMA	3.8 a	3.9 a	6.1 a	6.1 a	543 a	562 a	++	4.1 a
Ontario 10,000+	**2.3** a	**2.6** a	**4.4** a	**4.5** a	**1,014** a	**1,046** a	**2.1** a	**3.0** a
Barrie CMA	2.0 b	2.9 b	5.7 b	5.5 b	991 a	1,055 a	1.5 c	2.9 a
Brantford CMA	3.3 a	3.4 a	4.7 a	3.8 a	801 a	816 a	2.8 c	2.2 a
Greater Sudbury/Grand Sudbury CMA	3.1 b	2.9 b	4.5 b	4.6 b	891 a	920 a	++	2.4 a
Guelph CMA	1.0 a	1.6 a	3.2 b	2.8 b	908 a	942 a	1.6 c	3.3 a
Hamilton CMA	2.9 a	3.7 a	6.5 a	5.7 a	876 a	922 a	1.9 c	3.3 a
Kingston CMA	1.6 a	2.4 a	3.7 b	5.3 b	980 a	1,027 a	1.9 c	3.3 a
Kitchener-Cambridge-Waterloo CMA	2.0 a	3.4 a	4.4 a	5.1 a	904 a	936 a	1.9 c	3.9 a
London CMA	3.7 a	3.1 a	7.0 a	5.9 a	896 a	920 a	1.4 c	2.3 a
St. Catharines-Niagara CMA	4.0 b	3.5 b	6.9 b	5.6 b	843 a	868 a	2.4 c	1.6 a
Oshawa CMA	1.9 a	1.6 a	3.2 a	3.0 a	944 a	943 a	1.6 c	2.0 a
Ottawa-Gatineau CMA (Ont. Part)	2.1 a	3.7 b	5.1 a	6.8 b	1,104 a	1,130 a	3.2 c	2.3 a
Peterborough CMA	2.3 a	3.4 a	7.4 a	5.6 a	915 a	910 a	2.9 c	1.8 a
Thunder Bay CMA	1.8 a	2.4 a	3.1 a	3.7 a	813 a	834 a	3.9 c	3.9 a
Toronto CMA	1.5 a	1.6 a	3.1 a	3.2 a	1,164 a	1,202 a	1.9 c	3.2 a
Windsor CMA	7.7 a	6.3 a	9.3 a	8.1 a	770 a	780 a	1.4 c	2.0 a

[1] Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

[2] The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)

** Data suppressed to protect confidentiality or data not statistically reliable.

++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).

n/u: No units exist in the universe for this category. n/s: No units exist in the sample for this category. n/a: Not applicable.

Please click Methodology or Data Reliability Tables Appendix link for more details

1.0 Rental Market Indicators
Privately Initiated Apartment Structures of Three Units and Over
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Centres	Vacancy Rates (%)		Availability Rates (%)		Average Rent 2 Bedroom ($) (New and existing structures)		Percentage Change of Average Rent Two Bedroom [2] From Fixed Sample (Existing structures only)	
	Apr-12	Apr-13	Apr-12	Apr-13	Apr-12	Apr-13	Apr-11 to Apr-12	Apr-12 to Apr-13
Manitoba 10,000+	**1.2** a	**1.8** a	**1.5** a	**2.6** a	**876** a	**912** a	**5.2** a	**3.5** a
Winnipeg CMA	1.2 a	1.9 a	1.5 a	2.7 a	901 a	939 a	5.4 a	3.6 a
Saskatchewan 10,000+ (3)	**2.1** a	**3.0** a	**3.3** a	**4.0** a	**933** a	**977** a	**4.6** a	**4.1** a
Regina CMA	0.6 c	1.9 a	1.1 c	2.7 a	948 a	1,001 a	5.2 a	4.7 a
Saskatoon CMA	3.1 b	3.3 b	5.3 b	4.9 b	976 a	1,020 a	2.7 a	3.7 a
Alberta 10,000+ (4)	**3.0** b	**1.5** a	**4.4** a	**2.5** a	**1,055** a	**1,117** a	**3.1** b	**5.3** a
Calgary CMA	2.5 b	1.2 a	4.0 b	1.7 a	1,113 a	1,202 a	5.0 a	7.2 a
Edmonton CMA	2.7 b	1.2 a	4.2 b	2.3 a	1,036 a	1,077 a	2.2 a	4.2 a
British Columbia 10,000+	**3.4** a	**3.5** a	**4.7** a	**4.4** a	**1,036** a	**1,069** a	**2.3** a	**1.5** b
Abbotsford-Mission CMA	4.9 a	4.7 a	6.1 a	5.2 a	799 a	823 a	0.6 a	3.1 b
Kelowna CMA	5.2 a	4.8 a	6.2 a	5.8 a	911 a	947 a	++	1.1 b
Vancouver CMA	2.6 b	2.9 b	3.7 b	3.7 b	1,210 a	1,255 a	3.0 a	1.4 b
Victoria CMA	3.5 b	3.4 b	5.6 b	5.1 b	1,046 a	1,076 a	1.6 a	1.2 b
Canada CMAs (1)	2.3	2.7	4.4	4.9	887	911	2.2	2.7
Canada 10,000+	2.5	2.9	4.6	5.0	860	884	2.1	2.7

[1] Major centres refer to Census Metropolitan Areas (CMA), except for Charlottetown.

[2] The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b - Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category. n/s: No units exist in the sample for this category. n/a: Not applicable.

Please click Methodology or Data Reliability Tables Appendix link for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.
The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented in this publication is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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